

## Message Text

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ACTION OPIC-06

INFO OCT-01 AF-06 ISO-00 EB-07 /020 W

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R 061400Z FEB 75

FM AMEMBASSY NAIROBI

TO SECSTATE WASHDC 1316

UNCLAS NAIROBI 1120

E.O. 11652: N/A

TAGS: EFIN, KE, OPIC

SUBJECT: OPIC INVESTMENT INSURANCE - CHESEBROUGH PONDS  
INTERNATIONAL AND CPC EUROPE LTD.

REF: STATE 20209

1. EMBASSY RECOMMENDS INSURANCE BE ISSUED TO ABOVE  
NAMED INVESTORS.

2. AVERAGE TIME CURRENTLY BEING EXPERIENCED BY INVE-  
STORS IN REMITTING DIVIDENDS, AND ROYALTY AND  
TECHNICAL ASSISTANCE OR MANAGEMENT FEES IS APPROXIMATELY  
THREE WEEKS FROM DATE OF APPLICATION. INTERIM DIVIDEND  
PAYMENTS CAN BE MADE ONLY UPON PRESENTATION OF AUDITED  
ACCOUNTS FOR INTERIM PERIOD, A PROCEDURE MOST COMPANIES  
FIND TOO EXPENSIVE AND TIME-CONSUMING. THEY THEREFORE  
ARE NOW PAYING ONLY ANNUAL DIVIDEND. TO INSURE THAT  
DIVIDEND PAYMENTS TO U.S. PARENT COMPANY ARE MADE ON TIME,  
LOCAL SUBSIDIARY SHOULD MAKE APPLICATION WELL AHEAD  
OF TIME; MOST U.S. FIRMS IN KENYA DO THIS NOW. FOR  
EXAMPLE IF DIVIDEND PAYMENT IS DUE JULY 1, APPLI-  
CATION TO KENYAN CENTRAL BANK SHOULD BE MADE BY  
JUNE 1.

3. ALTHOUGH AVERAGE CENTRAL BANK PROCESSING TIME IS  
CURRENTLY ABOUT THREE WEEKS, THIS WILL INCREASE TO  
A MONTH OR MORE DURING MARCH, APRIL AND MAY. MOST  
FOREIGN COMPANIES IN KENYA HAVE A FISCAL YEAR WHICH  
COINCIDES WITH THE CALENDAR YEAR AND, AFTER NECESSARY  
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AUDIT, MAKE APPLICATIONS BEGINNING IN LATE FEB. FOR  
DIVIDEND REMITTANCES. AS MOST OF THESE APPLICATIONS

COME DURING SAME PERIOD OF YEAR, FEB. TO APRIL,  
CENTRAL BANK'S BACKLOG INCREASES AND PROCESSING  
TIME IS SOMEWHAT LONGER.

4. ADMINISTRATIVE DELAYS DISCUSSED IN NAIROBI'S  
A-120 PERTAIN TO PAYMENTS OF IMPORTS. CURRENT  
DELAYS BEING EXPERIENCED FOR APPROVAL OF THESE PAY-  
MENTS ABOUT THREE MONTHS.  
MARSHALL

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** INSURANCE, INVESTMENT GUARANTEES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 06 FEB 1975  
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**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
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**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Film Number:** D750044-0193  
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**Locator:** TEXT ON-LINE, ON MICROFILM  
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